

AMENDED IN ASSEMBLY APRIL 6, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 866**

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**Introduced by Assembly Member Yamada**

February 17, 2011

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~~An act to add Section 5899 to the Welfare and Institutions Code, relating to mental health. An act to add Section 97.82 to the Revenue and Taxation Code, relating to local government finance.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 866, as amended, Yamada. ~~Community mental health: Mental Health Services Fund. Local government finance: property tax revenue allocations: county of the 28th class.~~

*Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenues to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to*

*the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.*

*This bill would, for the 2012–13 fiscal year and for each fiscal year thereafter, require the auditor of a qualified county, as defined, to increase the total amount of ad valorem property tax revenue otherwise required to be allocated to that county by the county equity amount, as defined, and to commensurately reduce the total amount of ad valorem property tax revenue otherwise required to be allocated to school entities in the county, as specified.*

*This bill would make legislative findings and declarations as to the necessity of a special statute.*

*By imposing new duties in the annual allocation of ad valorem property tax revenues, the bill would impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law contains provisions governing the operation and financing of community mental health services for the mentally disordered in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act, an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, establishes the Mental Health Services Fund to fund various county mental health programs and requires the department to adopt regulations to implement the program. The act provides that it may be amended by the Legislature by a  $\frac{2}{3}$  vote of each house as long as the amendment is consistent with and furthers the intent of the act, and that the Legislature may also clarify procedures and terms of the act by majority vote.~~

~~This bill would authorize the department to specify alternative procedures for small counties for purposes of regulations relating to the act, and would define “small county” as a county with a population of less than 250,000 people according to the most recent Department of Finance projection. The bill would state the finding of the Legislature~~

~~that the measure clarifies a term or procedure for purposes of the Mental Health Services Act.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 97.82 is added to the Revenue and  
2     Taxation Code, to read:  
3     97.82. (a) Notwithstanding any other law, for the 2012–13  
4     fiscal year and for each fiscal year thereafter, the auditor of a  
5     qualified county shall do both of the following:  
6     (1) Increase the total amount of ad valorem property tax revenue  
7     that is otherwise required to be allocated to that county by the  
8     county equity amount.  
9     (2) (A) Decrease the total amount of ad valorem property tax  
10    revenue that is otherwise required to be allocated to the county  
11    Educational Revenue Augmentation Fund by the county equity  
12    amount.  
13    (B) If, for any fiscal year, there is not enough ad valorem  
14    property tax revenue that is otherwise required to be allocated to  
15    a county Educational Revenue Augmentation Fund for the auditor  
16    to complete the allocation reduction required by subparagraph  
17    (A), the auditor shall additionally reduce the total amount of ad  
18    valorem property tax revenue that is otherwise required to be  
19    allocated to all school districts in the county for that fiscal year  
20    by an amount equal to the difference between the county equity  
21    amount and the amount of ad valorem property tax revenue that  
22    is otherwise required to be allocated to the county Educational  
23    Revenue Augmentation Fund for that fiscal year. This reduction  
24    for each school district in the county shall be the percentage share  
25    of the total reduction that is equal to the proportion that the total  
26    amount of ad valorem property tax revenue that is otherwise  
27    required to be allocated to the school district bears to the total  
28    amount of ad valorem property tax revenue that is otherwise  
29    required to be allocated to all school districts in a county. For  
30    purposes of this subparagraph, “school districts” do not include  
31    any districts that are excess tax school entities, as defined in  
32    Section 95.

(C) Any reduction in the amount of ad valorem property tax revenues deposited in the county's Educational Revenue Augmentation Fund as a result of subparagraph (A) shall be applied exclusively to reduce the amounts that are allocated from that fund to school districts and county offices of education, and shall not be applied to reduce the amounts of ad valorem property tax revenues that are otherwise required to be allocated from that fund to community college districts.

(b) For purposes of this section, all of the following shall apply:

(1) "County equity amount" means that amount, as calculated by the auditor, equal to 5.6783 percent of the amount of ad valorem property tax revenues allocated to a qualified city in the immediately preceding fiscal year.

(2) "Qualified city" means the city that is located within the boundaries of a qualified county that incorporated on January 1, 1987.

(3) "Qualified county" means the county of the 28th class as described in Section 28049 of the Government Code.

(c) For the 2012–13 fiscal year and for each fiscal year thereafter, ad valorem property tax revenue allocations made pursuant to Sections 96.1 and 96.5 shall not incorporate the allocation adjustments made by this section.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being encountered by the county of the 28th class in providing vital public services.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SECTION 1. Section 5899 is added to the Welfare and Institutions Code, to read:~~

~~5899. In adopting regulations pursuant to Section 5898 the department may specify alternative procedures for small counties. For the purpose, "small county" means a county that has a population of less than 250,000 people according to the most recent Department of Finance projection.~~

1     ~~SEC. 2. The Legislature finds and declares that this measure~~  
2     ~~clarifies a term or procedure of the Mental Health Services Act~~  
3     ~~within the meaning of Section 18 of that act.~~

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